



# DEPARTMENT OF HIGHER EDUCATION & WORKFORCE DEVELOPMENT

## COMPLIANCE UPDATE By Kim Slote, policy analyst

### COMMON MANUAL

The Cooperative Agreement for Guarantors Participating in the *Common Manual* was initially approved Sep. 10, 1995, last amended Aug. 18, 2016. This agreement between guarantors that administer the Federal Family Education Loan Program was for the purpose of publishing a common policy manual to be used as a guide for their schools, lenders, secondary market and servicer clients. For 2019-2020, the *Common Manual* Governing Board is contracted with Ascendium Education Group, formerly Great Lakes Higher Education Corporation, to facilitate the development and adoption of policies that are consistent with the requirements of Title IV of the Higher Education Act of 1965, as amended, applicable regulations and other guidance published by the United States Department of Education. Policy proposals are presented to the *Common Manual* Governing Board for consideration and approval, before being incorporated into the *Common Manual*.

Proposed policy updates and technical edits can be submitted by anyone in the FFELP community. In addition, comments on current proposals are welcomed by Ascendium Education Group on behalf of the *Common Manual* Governing Board. Instructions for how to submit comments or to submit policy proposals and technical edits for the *Common Manual* can be found at the following links.

- [Submit Policy Proposals/Tech Edits](#)
- [Review Proposals Out for Comment](#)

The *Common Manual* Governing Board approved policy changes proposed in Batch 220 and Batch 221 on April 16, 2020. Summaries of the most recent policy updates made to the July 2019 reprint of the *Common Manual* will be posted to the *Common Manual* website at the following link <https://commonmanual.org> in the [Approved Policies](#) section. The common bulletin language for each policy change drafted by Ascendium Education Group is also provided at this link. The common bulletin language for both batches is attached to this compliance update, without revision, for your review. Changes made in the proposals will be incorporated into the *Common Manual* annual update.



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Policy Change Approved April 16, 2020

*Unified Student Loan Policy*

Batch 220: Proposal 1331

The nation's guarantors provide the following summaries to inform schools, lenders, and servicers of the latest *Common Manual* policy changes. These changes will appear in the manual's next annual update. These changes will also be incorporated into the Integrated *Common Manual*. The Integrated *Common Manual* is available on several guarantor websites, and it is also available on the *Common Manual*'s website at <https://commonmanual.org>. Please carefully note the effective date of each policy change.

### **Automatic VA TPD Determinations by the Department**

The *Common Manual* has been updated to incorporate the regulatory change to the total and permanent disability eligibility criteria for veteran borrowers, published in the November 26, 2019 *Federal Register*. The regulation in §682.402(c)(9)(xiii) now states that the Department will consider a borrower for whom data is obtained from the Department of Veterans Affairs showing that the borrower is totally and permanently disabled, as defined in paragraph (2) of the definition of that term in §682.200(b)(2), to be eligible for discharge and will not require additional documentation to discharge the borrower's loans. The change is effective July 1, 2020, but the Department is using its authority to designate the change for early implementation, meaning it is effective on the date of publication in the *Federal Register*. The Manual was also revised to list the automatic discharge process as the primary way for veteran's with student loan debt to receive a total and permanent discharge, but maintains the application submission process for borrowers not identified through the automatic process.

<b>Affected Section(s):</b>	13.8.G Total and Permanent Disability
<b>Effective Date:</b>	Automatic VA TPD discharge determinations made by the Department on or after November 26, 2019.
<b>Basis:</b>	Interim/Final Rule (84 FR 65000) published on November 26, 2019.
<b>Policy Information:</b>	1331/Batch 220
<b>Guarantor Comments:</b>	None.



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Batch 221: Proposals 1332

### Cancer Treatment Deferment

The *Common Manual* has been updated to include information about the cancer treatment deferment that became part of the Higher Education Act (HEA) in 2018, through Public Law 115-245, and implemented by the Department in 2019.

<b>Affected Section(s):</b>	11.1.D Payment of Interest during Deferment Figure 11-1 Deferment Eligibility Chart 11.4 Cancer Treatment Deferment Figure 11-2 Forbearance Eligibility Chart 11.22.A Loans Ineligible for Cancer Treatment Deferment
<b>Effective Date:</b>	Direct loans made on or after September 28, 2018, or FFELP or Direct loans in repayment on or before September 28, 2018. FFELP or Direct loans in-school or in grace on September 28, 2018 are not eligible for the deferment.
<b>Basis:</b>	Public Law 115-245, signed into law on September 28, 2018; HEA Sections 427(a)(2)(C), 428(b)(1)(M), and 428H(e)(2); Electronic Announcement issued by the Department on August 22, 2019; private letter guidance from Ian Foss (FSA) dated December 20, 2019, and from Jon Utz (FSA) dated March 3, 2020; industry-developed CTD Fact Sheet distributed by NCHER.
<b>Policy Information:</b>	1332/Batch 221
<b>Guarantor Comments:</b>	None.